

# Workshops 4 and 5: Including results

## Economic Incentives – how can different stakeholders be involved

**Rooms:** Serayazaal / Palissanderzaal

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### Introduction

As research has shown, many European countries could benefit from introducing more economic incentives to promote workplace health and safety, rewarding those organisations that work hardest to protect their employees. Some EU Member States already offer various kinds of financial rewards for businesses that invest in keeping their employees safe. These rewards range from state subsidies and grants, through to tax breaks, preferential terms for bank loans, and lower insurance premiums for the best-performing businesses.

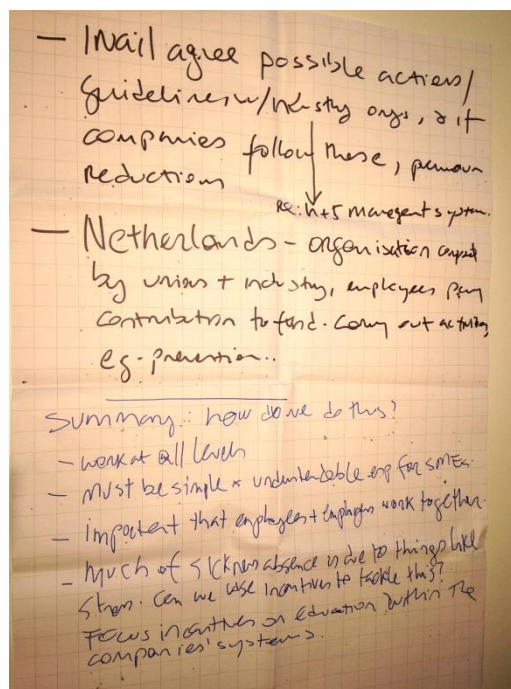
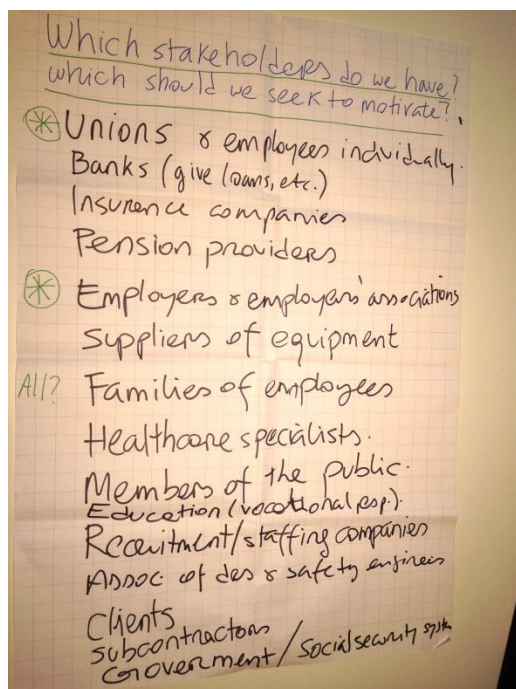
### Assignment to the workshop group

However, there are still many European countries that do not make use of economic incentives for prevention. What are the barriers of introducing them? How could different stakeholders be involved to promote the implementation of incentives?

### Relevant questions that can be used

- Who are the key stakeholders to be involved?
- What are the advantages and disadvantages for each stakeholder?
- How could the challenges and barriers be addressed? By whom?

### Results



Central to the third workshop was the question how different stakeholders can be involved in order to create and promote economic incentives. Potential stakeholders were first identified.

Mentioned were:

- Unions and individual employees
- Banks
- Insurance companies
- Pension providers
- Employers/employee associations
- Suppliers of equipment
- Families of employees
- Healthcare specialists
- Members of the public
- Education
- Recruitment staffing companies
- Safety engineers
- Clients, subcontractors
- Government, social insurance

Traditional ones were discussed, such as unions and employer organisations. But also untraditional stakeholders were mentioned, for instance banks, pension providers, teachers, governments and recruiting companies.

### **Internal incentive systems**

Does the decision of upper-management to participate in system filter through all divisions?

Or can we design bonus systems to reward behaviours that make it more likely?

Possibilities are:

- Internal awards
- Having H+S als standard item in management meetings
- Training from managers about costs and H+S obligations as part of management training
- And part of key performance indicators

### **Elements of chance**

Good OSH companies can have bad luck and bad performing enterprises can have luck and therefore no accidents for a long time. An incentive system that is purely based on past accident rates (i.e. experience rating) therefore runs the risk of rewarding the wrong companies or penalize those who not deserve it. This is especially valid for smaller companies. An effective incentive system should take these statistical effects into account.

How do we link bonuses to outcomes?

- Link them to positive actions regardless of outcomes, otherwise possible underreporting
- How doable this is can depend on insurance system and how public/privat it is.
- Smallest companies should be main target of incentive system
- Funding part of certain investments, tax/breaks

Participants reported from the experience in their countries

- Luxembourg: prevention unit of public insurance offers a free label after a questionnaire, visits to check compliance, offers advice to improve for small and medium sized companies. They have 20 already on the process (including construction, recreation, many different areas)
- Italy: Award by Inail, companies can promote they won a price and agree possible actions with companies and if companies act they receive reductions.
- Sweden: tried system of non compulsory certification by a certification organization.
- Netherlands: employers pay contribution to fund of which preventions activities are paid.

**Summary:**

How do we do this?

- Work at all levels
- Must be simple and understandable especially for SMEs
- Important that employees and employers work together
- Much of sickness absence is to do with things like stress. Can we use incentives to tackle this? Focus incentives on education within the companies systems.